Year in Review & Look Ahead

January 2004

Dear Friends and Key TDEC Stakeholders:

2003 was a year of challenges, change, balancing budgets, and establishing priorities at TDEC. This Year in Review document offers a glance back at some of TDEC's most significant accomplishments in environmental protection, natural resource stewardship and recreational asset management during 2003.

Many of the achievements in these key areas are a result of tremendous support and involvement from a wide variety of TDEC stakeholders – the General Assembly, business and regulated industry, environmental groups, community organizations and the general public. I am extremely grateful so many TDEC stakeholders engaged in constructive dialogue and collaborative efforts that moved our state forward. We intend to build on this momentum for 2004. A cleaner, safer environment goes hand in hand with economic prosperity and improved quality of life.

I am confident we have laid a strong foundation at TDEC that will enable the department to better serve the citizens of Tennessee. On behalf of the entire management team, thank you for your contributions. Thank you to the staff at TDEC who make things happen, and finally, thank you for the opportunity to serve the State of Tennessee.



Betsy L. Child, Commissioner

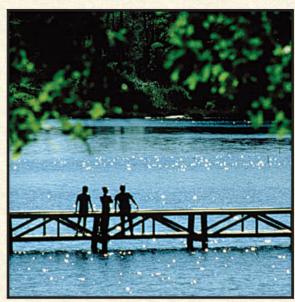
Jim Fyke, Deputy Commissioner, Parks and Conservation

Karen Stachowski, Deputy Commissioner, Environment

Larry Lance, Assistant Commissioner, Finance and Business Services

Department Accomplishments

- Strong management team
 - results oriented
- Improved responsiveness
 - communications and outreach
- Fostered collaboration and partnerships
- Actively sought feedback/input from key TDEC stakeholders
- Reorganized State Parks
 - Focus on parks professionalism
 - New operations structure/management team
 - Long-term planning



Park visitors enjoying the boardwalk at Natchez Trace State Park.

Key Results:

Cleaner Air

Throughout 2003, Tennessee officials and TDEC worked hard to meet new, stricter, federal standards for ground-level ozone and fine particulate matter.

Local elected officials in 27 Tennessee counties have voluntarily entered into 7 Early Action Compacts (EACs) with TDEC and EPA. This program rewards communities for achieving the new ozone standard sooner than required by deferring more restrictive requirements for permitting new industries and deferring the review process for federally funded transportation projects in Tennessee.

To this point, each EAC has met the prescribed EAC milestone requirements. However, being able to achieve and maintain long-term attainment of the 8 hour ozone standard will require additional state regulatory actions and a robust voluntary response from businesses, local governments and citizens.

In July 2003, Governor Bredesen signed Executive Order 11 creating the Interagency Working Group on Air Quality. The Working Group consists of the commissioners from several state agencies who have been asked to identify actions state government can take to reduce air emissions and improve air quality in Tennessee.

Safe and Clean Water

Water Quality

TDEC and the Water Quality Control Board completed a successful review, rewrite and approval of new water quality standards for Tennessee in 2003. Staff and interested parties came together to reconsider and revise Tennessee's clean water goals as part of this process. The new goals, which include regional criteria for some pollutants, were adopted by a unanimous vote of the Board.

TDEC produced over 50 total maximum daily load (TMDL) studies over the past year, and the EPA has now approved 80 TMDL studies by TDEC. TMDLs are developed for each pollutant of concern within each impacted water body and provide the foundation for reducing specific pollutants in individual streams. Tennessee's most recent biennial report to EPA shows that 94% of assessed river miles have water quality that fully or partially supports designated uses – 70% fully support use and 24% partially support designated use.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded over \$106 million in 2003 to local governments from the Clean Water State Revolving Fund, which is the largest loan volume awarded by the Department in a single year.

Protecting Health and Drinking Water

During 2003, the State completed source water assessments and susceptibility analyze on all public water systems as required by the Federal Safe Drinking Water Act. TDEC support of local utilities and operators in these chemical monitoring activities allowed local governments to avoid millions of dollars in additional costs.

The percentage of the population in Tennessee that is served by community water systems receiving drinking water that meets all applicable health based standards is 98.9%, one of the highest rates in the southeastern U.S.

Land Preservation, Conservation and Restoration

Natural Areas and Scenic Rivers

As of 2003, Tennessee has 68 legislatively designated State Natural Areas covering approximately 105,000 acres of ecologically significant lands throughout the state.

In 2003, two new State Natural Areas were established:

- 185-acre Stones River Cedar Glade and Barrens (Rutherford Co.)
- 57-acre Gattinger's Cedar Glade and Barrens (Wilson Co.)

In 2003, two existing Natural Areas were expanded:

- 1,012 acres were added to North Chickamauga Creek Gorge (Hamilton Co./Sequatchie Co.)
- 36 acres were added to Couchville Cedar Glade (Davidson Co./Wilson Co.)

As of 2003, there are 13 legislatively designated State Scenic Rivers in Tennessee covering approximately 390 river miles. The Scenic Rivers program seeks to preserve valuable selected rivers, or sections thereof, in their free flowing natural or scenic conditions and to protect their water quality and adjacent lands.

West Tennessee River Basin Authority

The WTRBA Task Force approved over 2,220 acres in easements, a move that is essential for the proper maintenance of watersheds in the Forked Deer, Hatchie and Obion Rivers.

Enhancing Tennessee's Recreational Opportunities

Tennessee State Parks

TDEC has a new management team whose goal is to optimize Tennessee State Park's natural, cultural and outdoor recreational assets for the benefit of our citizens, residents and guests. Parks' operations have been restructured to create:

- · a strong resource management unit
- an effective resource management policy
- a more efficient management design utilizing 3 operating districts
- an enhanced hospitality section with a true "outdoors" focus that will make a positive difference in our park visitors' experience
- a formal structure to support volunteers, partnerships and Friends groups

These changes translate into better identification and protection of our unique natural and cultural features, more park programs interpreting our natural and cultural heritage, and an enriched stay for park visitors who either camp or stay in cabin or lodge accommodations.

For the first 5 months of FY03-04, occupancy rates at inns, cabins, and campsites have outpaced the same period activity levels in the previous year. Park revenues are up more than 6% over the same previous period, and total park expenditures for first 5 months of FY03-04 are down 3.2%.

Buoyed by new enthusiasm by State Parks staff and considerable support from the department's executive level, Tennessee State Parks were proud to serve over 27 million visitors in 2003.

Recreation Education Services

The Parks and Recreational Technical Advisory Service (PARTAS) worked with numerous stakeholders to develop and finalize the 2003-2008 Tennessee State Recreation Plan. This plan provides a framework for recreation planning at all levels of government.



Left to right: Deputy Commissioner Jim Fyke, Governor Phil Bredesen, and Commissioner Betsy Child at Bicentennial Mall State Park.

Environmental Stewardship: Compliance, Education and Outreach

Strong Enforcement Against Polluters

TDEC continues to move swiftly against those who willfully break environmental laws. In calendar year 2003, TDEC issued 777 enforcement orders assessing over \$8.1 million in penalties.

Environmental Education and Outreach

TDEC held or participated in over 60 outreach meetings across the state to facilitate development of local and statewide plans to reduce the kinds of emissions that form ozone and harm air quality.

TDEC conducted 11 regional watershed meetings throughout Tennessee in 2003 in conjunction with both governmental and non-governmental partners. Using watershed management allows us to illustrate our planning and regulatory programs in ways that make sense to the public, the regulated community and our partner agencies. Citizens are gaining a better understanding of how the activities in a watershed affect the quality of water in our streams. Wise land management and discharge control are key for keeping Tennessee's water safe and clean.

Over 2,000 developers, contractors, road builders, and others involved in land disturbance activities have taken advanced courses on erosion prevention and sediment control that were jointly developed by the University of Tennessee and TDEC. A handbook on the best practices for preventing erosion and water pollution is available on TDEC's website at www.tdec.net.

TDEC also launched a new emphasis on preserving small streams, which are vital to overall water quality, flood control and wildlife.

Pollution Prevention Partnership

In calendar year 2003, there were 294 members of the Pollution Prevention Partnership (TP3), a statewide network of households, schools, government agencies, organizations, businesses, and industries, working together to protect our shared environment through pollution prevention.

Championship Recognition

Tennessee's State Employee Recycling Program was judged by EPA as the 2003 Program Champion for the entire nation.

Tennessee State Parks received the 2003 Tennessee Recycling Coalition Recycler of the Year Award.

Current Priorities

- Continue focus on outreach and departmental accountability
- Develop front-end, proactive environmental initiatives
- Finalize State Land Inventory and Assessment Plan
- Improve marketing and visibility of Tennessee State Parks
- Develop and execute the appropriate strategy for the Underground Storage Tank program in Tennessee
- Address air quality standards across the entire state
- Continue to improve operational effectiveness

Major Issues

- Air Quality
- Water Issues
- Underground Storage Tank program
- Capital maintenance and debt service at Tennessee State Parks
- Internal operations/business systems